

**OFFICE OF ATTORNEY GENERAL****INSURANCE FRAUD SECTION**
TOM CORBETT • ATTORNEY GENERAL
NEWSLETTER**LANCASTER PEDIATRICIAN ARRESTED FOR ALLEGEDLY SCAMING
MILLIONS OF DOLLARS IN FRAUDULENT BILLING PRACTICES**

On April 1, 2009, Dr. Saroj Parida was arrested in Lancaster County. Dr. Parida is a Pediatrician specializing in Neonatal-Perinatal Medicine. Dr. Parida is the Medical Director of The Download Center, a business he operated from his home. A joint investigation by the Office of Attorney General Insurance Fraud Section and Medicaid Fraud Control Section into Dr. Parida's billing practices revealed that Dr. Parida allegedly submitted fraudulent claims to various health care insurance companies and Medicaid. This investigation was conducted in cooperation with the U.S. Attorney's Office, the Cumberland County District Attorney's Office and the South Carolina Office of Attorney General.

According to the Complaint, durable medical equipment companies (DMEs) downloaded data from apnea monitors and emailed this data to Dr. Parida. Dr. Parida was responsible for interpreting the data, completing a report and sending the report back to the DMEs. Dr. Parida was supposed to submit claims for a circadian respiratory pattern recording, interpretation only. The Complaint stated that Dr. Parida submitted millions of dollars of claims for services rendered over the past five years, using Procedure Code 95810, the procedure code for a polysomnography, a completely different and more involved procedure that is performed in the clinical setting with continuous monitoring of the patient. It is alleged that Dr. Parida submitted fraudulent claims for Procedure Code 95810 of over \$7,000,000 to at least twenty-one private insurance companies and received over \$2,900,000 in payment. Additionally, Dr. Parida also allegedly submitted over \$600,000 worth of Procedure Code 95810 claims through Medicaid. Dr. Parida also allegedly received over \$5,000,000 of additional funds in payment through the investigations conducted by the U.S. Attorney's Office, the Cumberland County District Attorney's Office and the South Carolina Office of Attorney General. The Complaint further stated that Dr. Parida submitted "Ghost bills" for Procedure Code 95810 for dates and times that he provided no service at all.

Additionally, the Complaint stated that Dr. Parida collected twenty-six weeks of unemployment compensation totaling \$13,000 after he was terminated from his position at the Reading Hospital and Medical Center. It is alleged that Dr. Parida failed to disclose his home-based business, The Download Center, to the Pennsylvania Department of Labor and Industry.

Dr. Saroj Parida has been arrested and charged with twenty-two counts of Theft (F3), twenty-two counts of Criminal Attempt/Theft (F3), nineteen counts of Insurance Fraud (F3) and seventy counts of Submission of False Medicaid Claims (F3 & M1).



- On April 27, 2009, William Sadowski and Eric Miladin were arrested in Allegheny County as a result of an on-going joint investigation by the Office of Attorney General Insurance Fraud Section and Medicaid Fraud Control Section. According to the Criminal Complaint, Sadowski, a licensed pharmacist, was a co-owner of Servatus Pharmacy and instrumental in conducting three criminal schemes to defraud. Miladin, a pharmacist employed at Servatus Pharmacy, was allegedly involved in one of the schemes. According to the Criminal Complaint, the first scheme involved Allegheny Valley Schools (AVS), a campus setting that houses citizens with mental and behavioral disabilities. Sadowski allegedly submitted claims through Medicaid for high cost medications totaling over \$645,000 that were not prescribed by physicians at AVS nor dispensed to the residents. The second scheme involved employees of Nocito Enterprises that worked in businesses surrounding Servatus Pharmacy. Sadowski allegedly submitted claims totaling over \$180,000 to the Highmark Insurance Company, unbeknownst to the Highmark insureds, for medications not authorized by a physician or dispensed to the patients. The Complaint further stated that a third scheme involved the improper use of manufacturers' drug coupons. The pharmacy, through Sadowski and Miladin, were contracted to provide emergency medications to the Beaver County Jail. The pharmacy obtained a list of inmates housed at the facility and allegedly submitted manufacturers' drug coupons totaling over \$155,000 to the drug manufacturers, McKesson and Argus, for reimbursement for medications that were never prescribed by a physician or dispensed to the inmates. William Sadowski has been charged with two counts of Corrupt Organizations (F1) and one count of Provider Prohibited Acts (F3),



Insurance Fraud (F3), Theft (F3) and Conspiracy (F3). Eric Miladin has been charged with one count of Theft (F3) and Conspiracy (F3).

- On April 2, 2009, Susan Thompson was arrested in Montgomery County. According to the Criminal Complaint, Thompson owned and operated American Business Insurance Services (ABIS) and made all financial decisions for the company. Over an eight month period in 2006 and 2007, ABIS sold in excess of \$250,000 worth of premiums on eighty-nine policies mostly with RCA, USG and Navigators Specialty Insurance Companies. The policy premiums were collected from client businesses and deposited in the company escrow account. Thompson allegedly directed the monies transferred to the ABIS operating account to pay the business operating expenses. The Complaint further alleged that the insurance companies never received the premium monies. Susan Thompson has been charged with one count of Insurance Fraud (F3), three counts of Theft by Failure to Make Required Disposition of Funds (F3), Theft by Deception (F3) and Misapplication of Entrusted Funds (M2).
- On April 24, 2009, Lynn Yanders was arrested in Montgomery County. According to the Criminal Complaint, Yanders purchased a Mercedes and added it to her existing automobile policy with the Allstate Insurance Company, listing her address as Macungie, Pa. A short time later, Yanders removed the Mercedes from her policy. The Complaint further stated that the vehicle remained uninsured until October, 2006, when Yanders again added it to her policy and lowered her deductible from \$1,000 to \$500. Five days later, Yanders filed a claim alleging the vehicle was stolen. The vehicle was subsequently recovered in New York City with significant fire damage. It is alleged that Yanders misrepresented her residence as Macungie but actually lived in Philadelphia and provided numerous inconsistent and false statements to Allstate, including her whereabouts prior to the date of the alleged



theft. Lynn Yanders has been charged with two counts of Insurance Fraud (F3 & M1) and one count of Criminal Attempt/Theft (F3).

- On April 8, 2009, Michael Russo was arrested in Chester County. According to the Criminal Complaint, Russo had a contractor's insurance policy with the Nationwide Insurance Company that was cancelled on September 30, 2007, for non-payment. Russo worked on some sewer lines when damage occurred totaling over \$11,000. The Complaint stated that Russo obtained a new policy with Nationwide on November 9, 2007, and submitted a claim allegedly misrepresenting the October damage to have occurred on November 12, 2007. In an attempt to support his claim, Russo allegedly requested the Codes Inspector change the date of the incident in her report. Michael Russo has been charged with one count of Insurance Fraud (F3) and Criminal Attempt/Theft (F3).

- On April 30, 2009, Nicole Angelo was arrested in Allegheny County. According to the Criminal Complaint, Angelo, a paralegal employed at a law firm, had disability insurance through the Standard Insurance Company. On April 23, 2008, Angelo claimed she was injured while lifting her child and received long-term disability payments of approximately \$7,000 until November 22, 2008. On August 21, 2008, Angelo informed Standard that she was unable to work full time and had not worked since the date of injury. It is alleged that Angelo began working full time at FedEx on July 28, 2008, and failed to inform Standard. Nicole Angelo has been charged with one count of Insurance Fraud (F3) and Theft (F3).



- On April 13, 2009, Richard Lane, Sr., was arrested in Bradford County. According to the Criminal Complaint, Lane became disabled in 2006 and received credit disability benefits under a policy with the CUNA Mutual Insurance Company. Lane's doctor cleared him to return to work in March of 2008. Lane allegedly altered a form signed by the doctor so that it appeared that he remained disabled in August 2008, and submitted the medical

form to CUNA. Richard Lane, Sr. has been charged with one count of Insurance Fraud (F3) and Theft (F3) and two counts of Forgery (M1).

- On April 9, 2009, Robert Walter, Jr. and Jamie Silverstrim were arrested in Susquehanna County. According to the Criminal Complaint, Walter added collision, comprehensive, towing and rental car reimbursement coverage to his existing policy with the Travelers Insurance Company on April 1, 2008. Silverstrim, Walter's fiancée, filed a claim on April 4, 2008, stating that Walter injured his knee and tibia in an automobile accident on April 1, 2008. Following his surgery, Walter allegedly made fraudulent statements to Travelers in support of his claim. In addition, Walter and Silverstrim requested benefits totaling over \$2,000 for anticipated lost wages, vehicle repairs and rental car expenses. It is alleged that Walter was actually injured on March 30, 2008, while riding an ATV which was not covered by the policy. Robert Walter, Jr. and Jamie Silverstrim have been charged with two counts of Insurance Fraud (F3) and one count of Criminal Attempt/Theft (F3) and Conspiracy (F3).

- On April 30, 2009, Frank Celinszak was arrested in Allegheny County. According to the Criminal Complaint, Celinszak submitted a claim to the Travelers Insurance Company on July 21, 2008, alleging he cut his lip on a piece of plastic in a beverage at Buffalo Blues. Celinszak submitted a second claim to the Liberty Mutual Insurance Company on July 27, 2008, alleging that he cut his lip on a piece of metal in a frozen hamburger purchased at Trader Joes which he prepared at home, and then submitted a third claim to the Argonaut Insurance Company on August 1, 2008, alleging that he cut his lip on a piece of green plastic in a hamburger at TGI Fridays. The Complaint stated that Celinszak submitted medical bills from a hospital and two doctors, all of which Celinszak allegedly falsified in support of his claims. Frank Celinszak has been charged with three counts of Insurance Fraud (F3) and Tampering with



Records or Identification (M1), two counts of Criminal Attempt/Theft (M1 & M2) and one count of Theft (M1).



- Brian Dinkel pled guilty to one count of Conspiracy (F3) in Lancaster County. Dinkel tested stolen motorcycles before they were sold by another individual who operated a chop shop specializing in stamping new VINs on stolen motorcycles. Dinkel also participated in an insurance fraud scheme by



helping a friend hide his vehicle while he reported it stolen. On April 3, 2009, Brian Dinkel was sentenced to serve 9 to 23 months incarceration, 3 consecutive years probation and ordered to pay all court costs.

- Arthur Brown, III, pled guilty to one count of Insurance Fraud (F3) and Conspiracy (F3) in Philadelphia County. Brown was one of eleven individuals who filed a claim with the Lancer Insurance Company reporting that they were passengers on a Wertz tour bus when it was struck by a car. The investigation revealed that the collision was staged and that some of the individuals were not on the bus, some were not actually injured and some knew in advance that the collision was going to take place. Lancer received over \$29,000 in medical bills in addition to uninsured motorist and bodily injury claims. On April 2, 2009, Arthur Brown, III, was sentenced to serve 4 years probation, ordered to perform 150 hours community service and pay restitution of \$959 and all court costs.
- Theodore Marshall pled guilty to one count of Theft (M1) in Montgomery County. Marshall, a licensed insurance agent, was hired by Fino Insurance Group of Harleysville to open an office for that agency. A bank account was opened for the sole purpose to receive the deposited premium payments. The Nationwide Insurance Company would then transfer the funds into its own account.

Without authorization, Marshall obtained an ATM card and made several withdrawals totaling over \$3,000 from the account and used the funds for his personal use. On April 24, 2009, Theodore Marshall was sentenced to serve 2 years probation, ordered to perform 100 hours community service, pay \$3,131.61 restitution and all court costs.

- Alexis Smith pled guilty to one count of Criminal Attempt/Theft (M1) and Conspiracy (M1) in Philadelphia County. Smith and another individual submitted personal injury claims to the Crum and Foster Insurance Company stating they were involved in a minor accident involving the insured's truck. Smith claimed she was the driver and the other individual was a passenger in her vehicle at the time of the accident. Our investigation revealed Smith was alone while operating her vehicle. On April 23, 2009, Alexis Smith was sentenced to serve 2 years probation, ordered to perform 75 hours community service, pay a fine of \$350 and all court costs.
- Joseph Bush, Jr., pled guilty to one count of Insurance Fraud (M1) in Chester County. Bush, the owner of Infiniti of West Chester car dealership, listed his mother as an employee and had her covered under the company's group health care insurance plan through the Aetna Insurance Company when, in fact, his mother never worked at the dealership. On April 14, 2009, Joseph Bush, Jr. was sentenced to serve 2 years probation, ordered to perform 50 hours community service, pay a fine of \$1,000, restitution of \$4,849.68 and all court costs.

(ARD) DISPOSITIONS

During the month of April, three additional defendants received Accelerated Rehabilitative Disposition (ARD). Defendants who receive ARD are typically sentenced to serve 2 years probation and ordered to perform 50 hours of community service, pay full restitution and all ARD and court costs.